

# TAMPA- ST. PETERSBURG FL

Multifamily Report

**BERKADIA**<sup>®</sup>

a Berkshire Hathaway and Jefferies Financial Group company



# TAMPA-ST. PETERSBURG, FL EMPLOYMENT

## Jobs Added / Lost

### LAST 12 MONTHS

112,900

↑ 8.9%

### NEXT 12 MONTHS\*

85,100

↑ 6.1%

## Unemployment

### MID-YEAR 2021

4.2%

↓ 890 BPS YOY

### MID-YEAR 2022\*

2.4%

↓ 180 BPS YOY

\*Projected

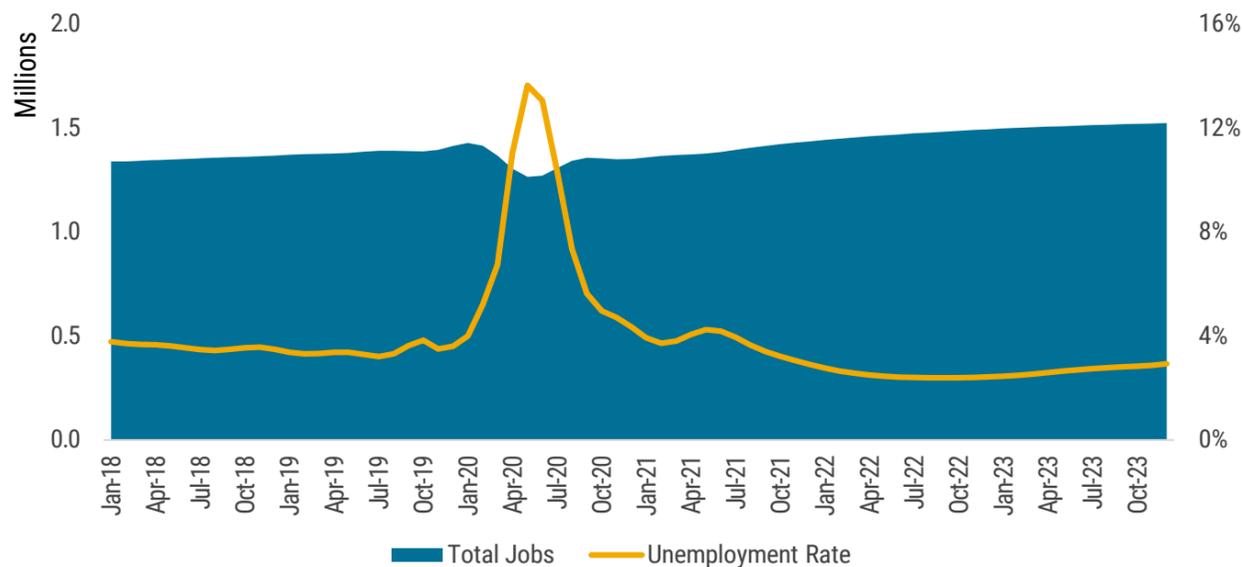
Home to the University of South Florida, MacDill Air Force Base, BayCare Health System, and Raymond James Financial, the Tampa Bay region boasts a diverse and an expanding business mix with a highly skilled workforce. The area is also a magnet for investment, especially along the waterfront. Tampa's downtown has experienced a wave of construction projects expected to bring an estimated \$13 billion worth of investment to the city through 2022.

The metro's local workforce experienced a speedy recovery, operating at 98% of pre-COVID levels by June 2021, even as leisure and tourism-related businesses struggled to attract workers. A significant contributor to the employment rebound was hiring in the market's largest

employment sector: professional and business services. The sector's headcount grew 9.8%, or by 23,400 net positions, in the last 12 months.

The state's unemployment rate plunged to 4.2%, as the pace of hiring picked up alongside a surge in pandemic-reopening consumer demand. The local economy will remain on a vibrant, upward track to end 2021 at 1.4 million total nonfarm jobs, marking a full economic recovery from the COVID-19 disruption. The second half additions would be part of 85,100 net workers projected to be added to Tampa-St. Petersburg payrolls over the next 12 months. AT the same time, the unemployment rate is forecast to fall to 2.4% by mid-2022.

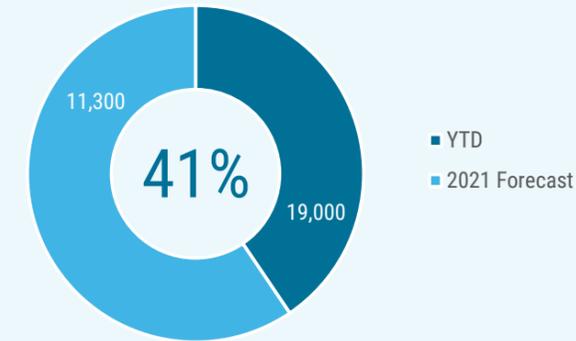
## Employment Trends



SOURCE: MOODY'S ANALYTICS

## Who's Hiring?

### PROFESSIONAL & BUSINESS SERVICES INDUSTRY



19%  
OF ALL JOBS IN THE METRO

\$68,800  
AVERAGE ANNUAL SALARY

## Top Professional & Business Services Employers

nielsen

2,500 JOBS

valpak

1,500 JOBS

CERIDIAN

1,200 JOBS

## In The News

Tampa to add more than 2,000 tech jobs in 2021

2 companies move to Pasco County, adding 1,000 jobs

2,000 positions available at MacDill AFB

Fisher Investments to hire 1,000 in 2021

BayCare plans to hire around 2,000 people



## TAMPA-ST. PETERSBURG, FL

# DELIVERIES & ABSORPTION

### 2021 Units\*

DELIVERED

6,964

ABSORBED

9,304

### 2022 Units\*

DELIVERED

5,678

ABSORBED

5,859

\*Projected

While the pandemic curbed apartment demand nationwide due to public health lockdowns, Greater Tampa-St. Petersburg bucked the U.S. trend. Net absorption of 5,740 in the second quarter of 2021 was the highest quarterly demand post-recession, part of 9,300 units forecast to be absorbed by year-end 2021.

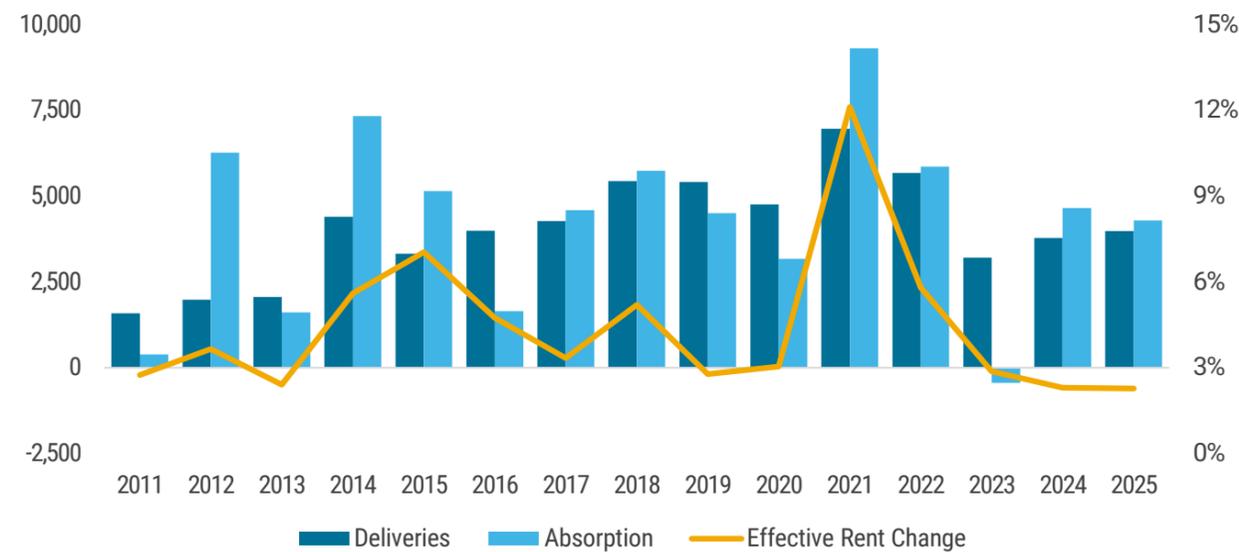
Tampa-St. Petersburg has benefitted from a roaring Sun Belt surge, which pushed leasing activity to more than double new supply at mid-year 2021. Apartment developers boosted development activity, placing Tampa-St. Petersburg third among Florida's five fastest-growing housing markets.

Tampa-St. Petersburg had nearly 64,000 units

under construction as of June 2021, with 31% of those coming online in two of 15 submarkets in the last year: Central Tampa and South St. Petersburg. These popular submarkets account for a third of the metro's high-skill, high-wage job sectors. Overall, 3,270 units were delivered in the first half of 2021, part of nearly 7,000 rentals scheduled to complete by year-end.

Multifamily developers are showing confidence in the market as approximately 5,700 are scheduled to come online metrowide in 2022. With more housing options and rising payrolls, apartment demand is anticipated to outpace inventory growth in 2022.

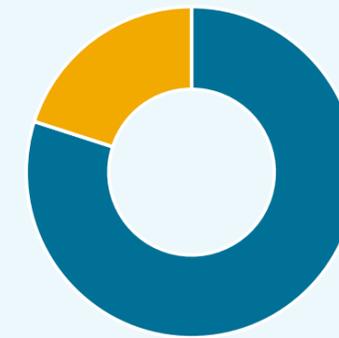
### Deliveries, Absorption, & Effective Rent Change



SOURCE: REALPAGE

### Market Pipeline

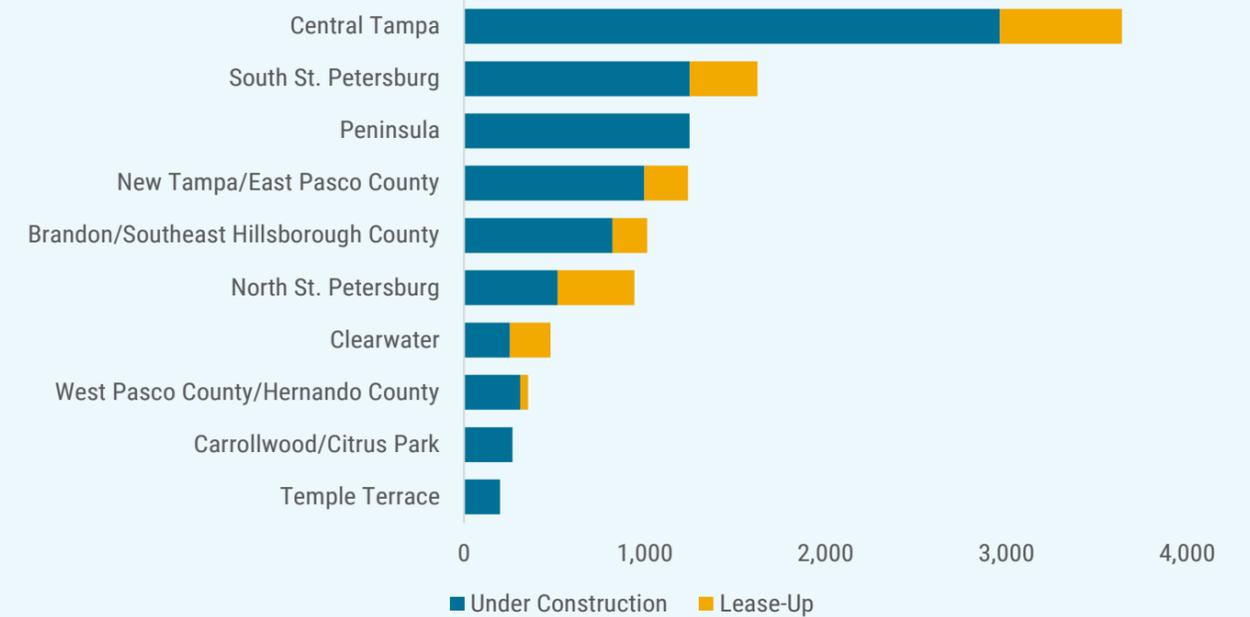
2,243



Under Construction  
Lease-Up

8,948

### Top 10 Submarket Pipelines



For a complete list of properties in the pipeline, [CLICK HERE](#)



# TAMPA-ST. PETERSBURG, FL

## RENT & OCCUPANCY

### Effective Rent

2Q 2021

\$1,415

↑ 12.7% YOY

### Occupancy

2Q 2021

96.9%

↑ 190 BPS YOY

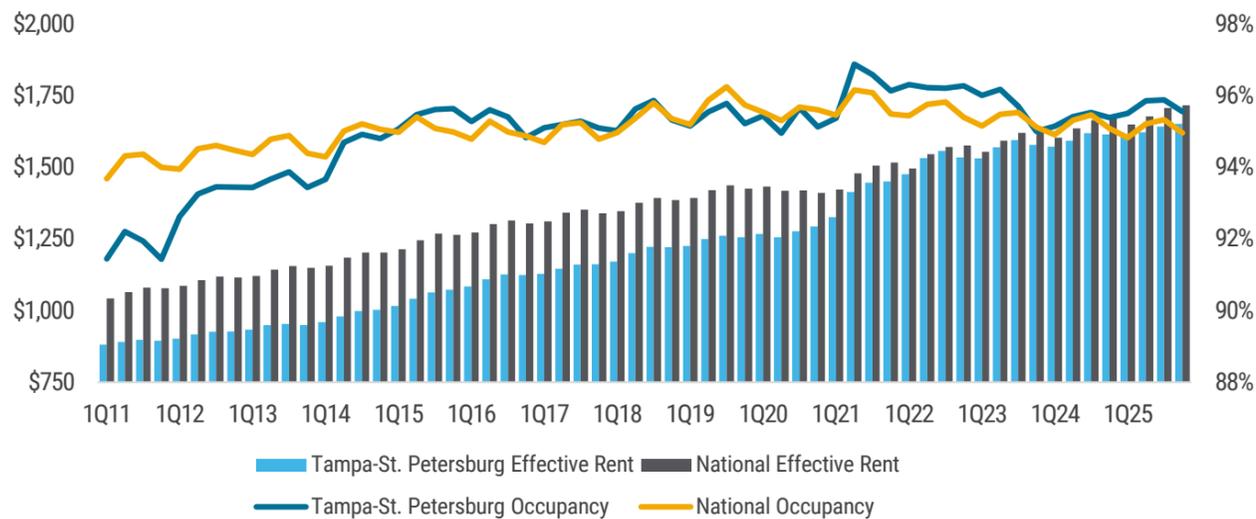
Mirroring nationwide trends of contrasting growth between gateway markets and lower-cost metros, Tampa-St. Petersburg's rental market proved resilient in the face of economic hardship and showcased strong performance. Short-term effective rent gain on a quarter-over-quarter basis was up 6.7%, contributing to a 12.7% annual rise. Effective rent ended the second quarter of 2021 at \$1,415 per month, just below the \$1,480 U.S. average.

An influx of new residents seeking rental housing, alongside a nearly recovered economy tightened multifamily occupancy. The 96.9% rate in the second quarter of 2021 was higher than the year-ago rate of 95.0%. New residents were drawn to amenity-rich apartment communities

in coastal communities, such as North Pinellas County and Town and Country/Westchase submarkets. Occupancy in Central Tampa—the priciest submarket where builders were most active—escalated 160 basis points to 96.6% with a concurrent 10.3% rise in effective rent reaching \$1,962 per month in the second quarter.

The positive moment in the Tampa-St. Petersburg apartment market is forecast to continue in the near term. With leasing activity expected to return to pre-pandemic levels, apartment operators will have leeway to remain aggressive with rent increases. Effective rent is projected to rise 8.3% over the next year, reaching an average of \$1,533 per month by mid-2022.

### Tampa-St. Petersburg vs. National Effective Rent & Occupancy



SOURCE: REALPAGE

### Submarket Performance

SUBMARKET NAME	2Q21 OCCUPANCY	YOY (BPS)	2Q21 EFFECTIVE RENT	YOY
Brandon/Southeast Hillsborough County	96.4%	180	\$1,444	15.3%
Carrollwood/Citrus Park	97.3%	110	\$1,329	14.6%
Central Tampa	96.6%	260	\$1,962	10.3%
Clearwater	97.0%	210	\$1,426	16.8%
Egypt Lake/Lowry Park	96.6%	160	\$1,148	9.3%
Largo/Seminole	97.7%	310	\$1,304	9.5%
New Tampa/East Pasco County	96.9%	240	\$1,442	14.1%
North Pinellas County	97.3%	170	\$1,526	19.4%
North St. Petersburg	97.3%	220	\$1,425	15.5%
Peninsula	95.9%	90	\$1,521	12.2%
South St. Petersburg	96.8%	230	\$1,507	5.8%
Temple Terrace	96.8%	120	\$1,163	8.0%
Town and Country/Westchase	96.8%	300	\$1,469	18.0%
University	96.3%	80	\$1,123	10.9%
West Pasco County/Hernando County	98.2%	120	\$1,139	10.1%



## TAMPA-ST. PETERSBURG, FL

# POPULATION & MIGRATION

### 2021 Residents\*

3,265,200

↑ 0.9% YOY

### 2022 Residents\*

3,295,500

↑ 0.9% YOY

\*Projected

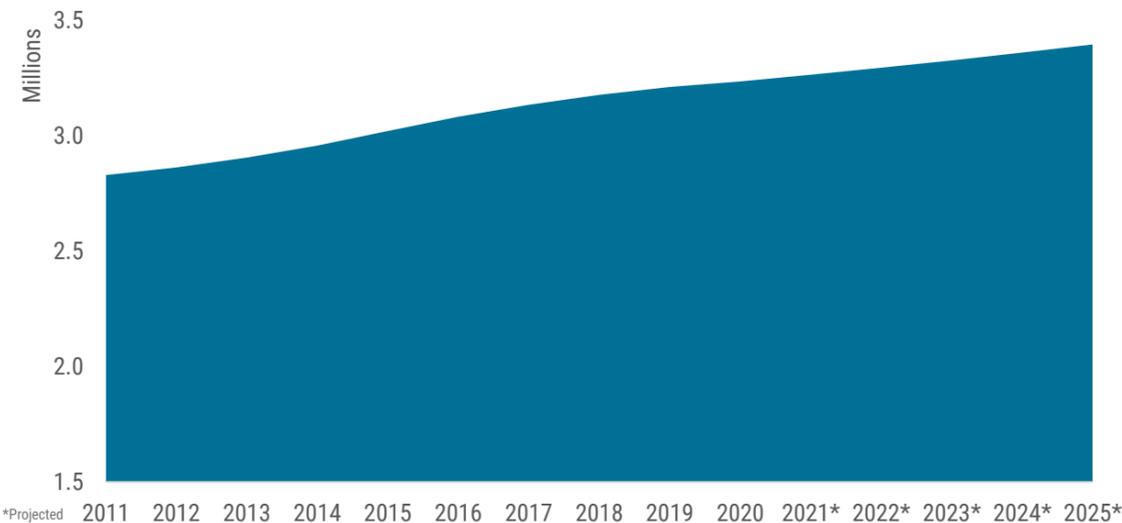
Before the pandemic, population growth in the neighboring cities of Tampa and St. Petersburg was averaging 43,000 net people, a 7.1% expansion in the past five years. After a slowdown in growth during 2020, population growth is forecast to accelerate to 0.9% this year. Greater Tampa's resilient economy, combined with the state's quick reopening, continued to boost significant in-migration, which nearly totaled 26,400 net persons in 2020 and is forecast to reach approximately 28,100 net people in 2021.

Many individuals, specifically millennials, took the opportunity to relocate to their dream destination. Tampa ranked fourth out of the top five cities that are attracting millennials in a list compiled by Abbie Martin Greenbaum.

The University of Tampa is another source of population growth: upon graduation, many decide to stay in the area due to the vibrant, growing city and an abundance of outdoor activities. Additionally, corporate relocations to the area gave millennials the opportunity to quickly join the workforce while staying in one of the most dynamic metros in America.

In the near term, Tampa-St. Petersburg's population is forecast to grow 0.9% in 2022. Part of the additions will include net migration of 35,100 persons. Looking further out, it is projected the population in Greater Tampa will rise 11% to reach 3.6 million residents within the next decade, an increase of more than 350,000 people.

### Tampa-St. Petersburg Population



SOURCE: MOODY'S ANALYTICS

### Urban Migration During the Pandemic

2Q 2020 - 1Q 2021



SOURCE: FEDERAL RESERVE BANK OF CLEVELAND



## TAMPA-ST. PETERSBURG, FL

# SALES

### 2021 Year to Date\*



VOLUME

\$1.0B



PRICE PER UNIT (AVG)

\$167,407



TRANSACTIONS

25



CAP RATE (AVG)

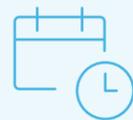
4.5%

### What's Trading?\*



UNITS (AVG)

291



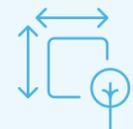
YEAR BUILT (AVG)

1990's



BUILDINGS (AVG)

20



ACRES (AVG)

18.56

\*\$10M+  
SOURCE: REAL CAPITAL ANALYTICS

### Top Buyers\*\*

BUYER	LOCATION
Blackstone	New York, NY
TruAmerica Multifamily	Los Angeles, CA
Guardian Life Insurance	New York, NY
The Connor Group	Miamisburg, OH
UDR	Highlands Ranch, CO

### Top Sellers\*\*

SELLER	LOCATION
Bainbridge Companies	Wellington, FL
Radco Cos	Atlanta, GA
Cortland	Atlanta, GA
Star Real Estate Ventures	New York, NY
Altman Companies	Boca Raton, FL

\*\*Past 24 Months



## TAMPA-ST. PETERSBURG, FL

# SALES

\$50+ Million Transactions



### RESERVE AT LAKE POINTE

Saint Petersburg, FL

UNITS	YEAR BUILT
806	1983
PRICE / UNIT	SALES PRICE
\$118,066	\$95,200,000



### ALTIS PROMENADE

Lutz, FL

UNITS	YEAR BUILT
338	2019
PRICE / UNIT	SALES PRICE
\$274,811	\$92,900,000



### SABAL PALM AT CARROLLWOOD

Northdale, FL

UNITS	YEAR BUILT
432	1995
PRICE / UNIT	SALES PRICE
\$205,093	\$88,600,000



### POINT AT STARKEY RANCH

New Port Richey, FL

UNITS	YEAR BUILT
384	2019
PRICE / UNIT	SALES PRICE
\$226,563	\$87,000,000



### WILDGRASS

Riverview, FL

UNITS	YEAR BUILT
321	2020
PRICE / UNIT	SALES PRICE
\$249,221	\$80,000,000



### LAKESHORE CLUB

Tampa, FL

UNITS	YEAR BUILT
638	1969
PRICE / UNIT	SALES PRICE
\$120,690	\$77,000,000



### CORTONA SOUTH TAMPA

Tampa, FL

UNITS	YEAR BUILT
300	2018
PRICE / UNIT	SALES PRICE
\$255,000	\$76,500,000



### PARK AT LAKE MAGDALENE

Tampa, FL

UNITS	YEAR BUILT
504	1974
PRICE / UNIT	SALES PRICE
\$121,837	\$61,400,000



### LOLA

Riverview, FL

UNITS	YEAR BUILT
264	2019
PRICE / UNIT	SALES PRICE
\$231,061	\$61,000,000



### GATEWAY LAKES

Pinellas Park, FL

UNITS	YEAR BUILT
329	2000
PRICE / UNIT	SALES PRICE
\$185,410	\$61,000,000

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Sources: RealPage; Moody's Analytics; Real Capital Analytics; Federal Reserve Bank of Cleveland

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